

IX. Cash Balance Benefit Program

CalSTRS Cash Balance Benefit Program Available To Part-time Educators

CalSTRS has designed a program specifically for educators who work part time. Your eligibility is determined by your basis of hiring, that is, your contract, rather than actual hours you work. If you are hired to work on an hourly basis, without a contract, for K-12, Adult Education, Regional Occupational Program or at one or more community colleges, the CalSTRS Cash Balance Benefit Program gives you an opportunity to save retirement dollars for the long term.

Features of the CB Benefit Program include:

- **immediate vesting**
You do not have to wait to accumulate years of service credit to become eligible for benefits.
- **variable contribution rates can be bargained**
Your employer must contribute at least 4 percent of your salary. However, alternative rates may be bargained by each employer. You receive all contributions—both yours and your employer's—and interest, if you terminate public school employment.
- **secure investments**
The CB Benefit Program investment portfolio is managed by CalSTRS investment professionals, who have a long and successful record of achievement.
- **guaranteed interest rate**
The interest rate is set by the Teachers' Retirement Board for each program year based on the 30-year Treasury rate. Effective for 2000–01, the rate is 6.25 percent.

- **additional earnings credit**

The Teachers' Retirement Board may, on an annual basis, grant an additional earnings credit to be added to participant accounts.

- **portability to meet the needs of a part-time educator**

In most cases, you can continue participation in the CB Benefit Program if you move to another school or district that offers the program.

- **options if you leave public school employment**

If you leave public school employment entirely, you have three options: leave the contributions on deposit in your account; roll over your CB Benefit Program funds to another eligible retirement plan or an IRA; or you can withdraw all contributions, including employer contributions, plus interest, providing the waiting period requirement has been met, which is one year following the date of service termination.

- **flexibility at retirement**

You can take your contributions, your employer's contributions, plus compounded interest in a lump sum. You can instead choose an annuity to provide monthly retirement benefits if your balance is at least \$3,500.

- **no fees or charges for participation**

- **all employee contributions are pre-tax dollars**

- **available by payroll deduction**

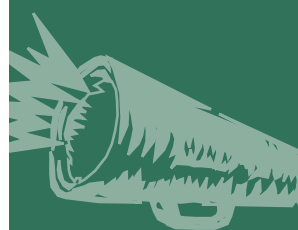
Are You Eligible to Participate?

When you are hired by a K-12 district, county office of education or a community college district, your employer is required to notify you that you can elect membership in the CalSTRS Defined Benefit Program, even though you are a part-time employee. You have the option to decide on participating in the CB Benefit Program, electing DB Program membership or an alternative plan your employer may offer. If you choose CB Benefit Program participation and your basis of employment is changed to half-time or more, you will automatically become a member of the CalSTRS DB Program.



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However, as long as your basis of employment or contract remains less than half time, you have the *choice* of participating in the CalSTRS CB Benefit Program rather than the CalSTRS Defined Benefit Program in districts that offer the CB Benefit Program.

Work for Multiple Employers?

If you were not a Defined Benefit Program member before, you can contribute to the CB Benefit Program at one or more participating school districts or community colleges if your basis of employment is less than half time at each school or college district.

If you were a contributing DB member who subsequently elected to participate in the CB Benefit Program, you remain eligible for the CB Benefit Program:

- as long as all districts/county offices by which you are employed are participating in the CB Benefit Program

and

- you elected the CB Benefit Program in all districts/county offices

and

- your basis for employment remains at less than half time

Participating School Districts Can Offer CB Benefit Program

School districts and community colleges can offer their part-time employees the CB Benefit Program. Offering the CB Benefit Program may be bargained, as some districts are doing currently. Contact your district(s) or county superintendent of schools to determine if the CB Benefit Program is available.



For More Information About the CalSTRS CB Benefit Program

For detailed information about the CalSTRS CB Benefit Program, call CalSTRS Teletalk at 800-228-5453 or visit the CalSTRS Web site home page at www.calstrs.ca.gov. You may e-mail questions to cashbal@calstrs.ca.gov.

